



Department of Justice

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**CO-OWNER OF NEW YORK GRAPHIC SERVICES COMPANY
PLEADS GUILTY TO BID-RIGGING CHARGE**

WASHINGTON, D.C. -- The co-owner of a New York City graphic services company today pleaded guilty to rigging bids submitted to Grey Global Group Inc. (Grey), an advertising agency headquartered in Manhattan, the Department of Justice announced.

In U.S. District Court in Manhattan, Lori Montgomery of Rivervale, New Jersey, a minority co-owner and treasurer of a Queens, New York graphic services company, pleaded guilty to one count of rigging bids and allocating contracts, from late 1994 until 2001, for the supply of retouching and separation services contracted through Grey for its client, Brown & Williamson Tobacco Corp. (B&W).

According to the charge, co-conspirators designated in advance that Color Wheel, a Manhattan supplier of graphic services, would be the low bidder among the co-conspirators on contracts to supply retouching services, and that another graphic services company would be the low bidder on contracts to supply separation services on behalf of B&W brands. In order to give the appearance of competition on the B&W contracts, Montgomery and certain of her co-conspirators would submit intentionally high bids to ensure that the designated low bidder prevailed.

"This case further demonstrates the Antitrust Division's resolve to seek out and prosecute anti-competitive practices and offenses associated with the advertising and graphics industries,"

said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

The bid-rigging charge, a violation of the Sherman Act, 15 U.S.C. § 1, carries a maximum penalty of three years imprisonment and a \$350,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, the defendant upon conviction could be ordered to pay restitution to any victim for the full amount of that victim's loss.

This charge arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the advertising, printing and graphics industries. The investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the advertising or printing industries should contact the New York Field Office of the Antitrust Division at (212) 264-3179 or the New York Division of the FBI at (212) 384-3252.

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